

STATEMENT

AMERICAN PROPERTY CASUALTY INSURANCE ASSOCIATION (APCIA)

**H.B. No. 5389 – AN ACT CONCERNING COLLATERAL CONSEQUENCES OF A
CRIMINAL RECORD**

LABOR AND PUBLIC EMPLOYEES COMMITTEE

March 5, 2020

The American Property Casualty Insurance Association (APCIA)¹ appreciates the opportunity to comment on House Bill No. 5389, An Act Concerning Collateral Consequences of a Criminal Record. With members comprising nearly 60 percent of the U.S. property casualty insurance market, APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association.

While APCIA does not take a position with respect to this bill generally, we have significant concerns with the provisions in Section 14 of the bill which would prohibit auto insurers from declining to issue, cancelling or nonrenewing and auto insurance policy based upon the criminal history record of the driver. This is highly problematic as criminal history information which relates to the operation of a motor vehicle is necessary for auto insurer underwriting and rating. Obviously, convictions relating to crimes such as driving under the influence or vehicular homicide or manslaughter would be highly relevant to auto insurance underwriting and rating and if consideration of such information were to be prohibited, then policyholders without such convictions would unfairly need to pay higher premiums to subsidize the premiums of riskier drivers with these convictions.

For the foregoing reasons, APCIA urges your Committee amend this bill to remove Section 14.

¹ Effective January 1, 2019, the American Insurance Association (AIA) and the Property Casualty Insurers Association of America (PCIAA) merged to form the American Property Casualty Insurance Association (APCIA). Representing nearly 60 percent of the U.S. property casualty insurance market, APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe.